

Update for 2014 to two-year business plan and budget

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*GAVI Alliance Board meeting
Phnom Penh, Cambodia
21-22 November 2013*



Outcome of review by PPC, AFC and EC

- PPC/ AFC review
 - Recommended the business plan adjustment
 - Added \$1m for supply chain activities
- EC review
 - Recommended the business plan adjustment
 - Discussed level of needs for GAVI's replenishment
 - Requested clarification on the source of the polio funds and coordination with GPEI funding to partners

The proposed adjustments aim to improve 2014 performance

- **Deliver on the promise-** Improve programmatic effectiveness to:
 - Accelerate progress in areas of delays
 - Adjust activities in areas that started in 2013
 - Improve ability to measure results
- **Better mitigate key risks:**
 - Ensure successful replenishment in 2014/15
 - Develop better tools to track and mitigate programmatic risks
 - Strengthen GAVI finance and operations processes
- **Improve efficiency:**
 - Increase capacity to support staff development
 - Meet Board expectations concerning governance processes

Adjustments are structured around 4 themes

How this is this incorporated in 2014 adjustments

Improve programmatic effectiveness (\$8.2m)

- Focus on integration with other interventions
- Greater emphasis on implementation (coverage and equity)
- Increase activities on data quality
- Increase support for HPV introductions
- Scale up of Civil Society support
- Grant Approval Monitoring and Review (GAMR) implementation

Enhancing resource mobilisation efforts (+US\$ 1.1 million)

- Intensify engagement in donor countries in view of replenishment
- Develop new innovative finance product(s)
- Increase support to Civil Society constituency

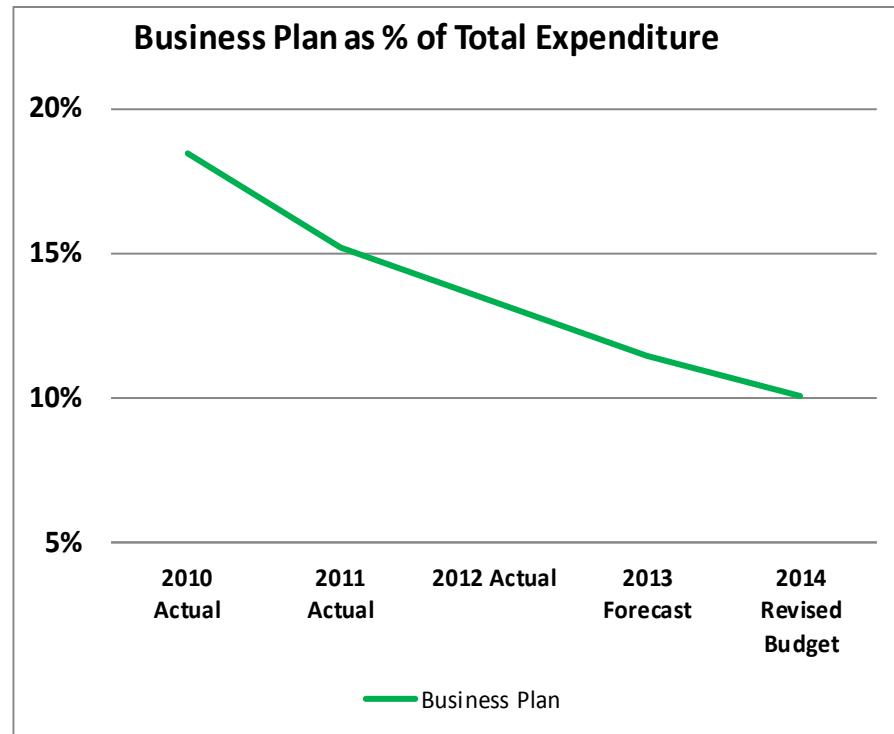
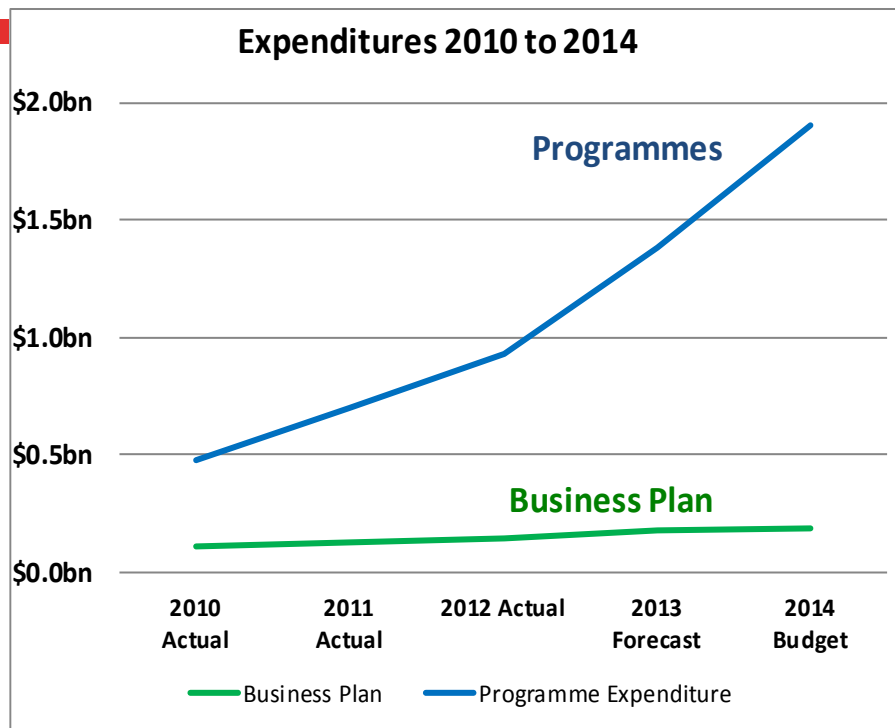
Intensifying risk management (+US\$ 1.0m)

- Implement improvement in “Whistleblower” policy
- Deploy new monitoring tools (incl. vaccine audits, tracking of vaccine roll out)
- Strengthening financial control and oversight

GAVI Governance and Secretariat processes (+US\$ 1.2 m)

- Increase number of governance meetings
- Provide technical advisors for Board members
- Secretariat staff development

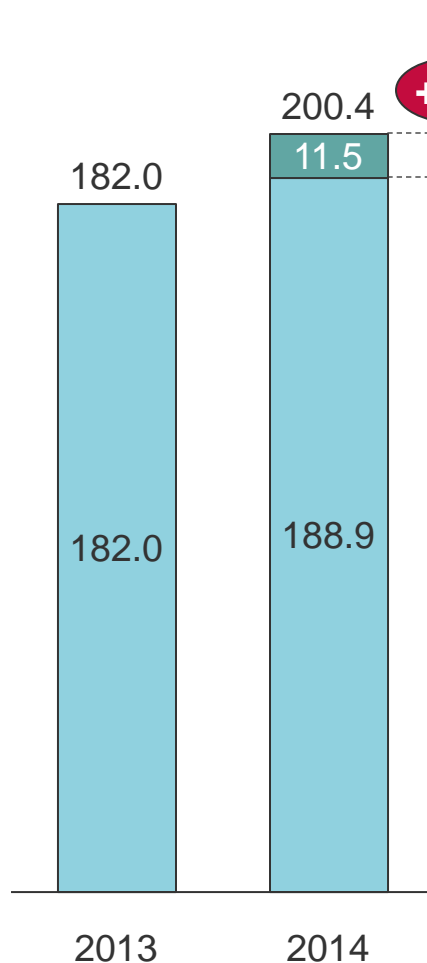
The business plan expenditures are representing a decreasing share of GAVI programme cost



The business plan budget is increasing by 6% with an equal share between partners and Secretariat

Increase in total 2014 budget, \$million

■ Increase
■ Approved in 2012



+6%

Improve programmatic effectiveness

Enhance resource mobilisation effort

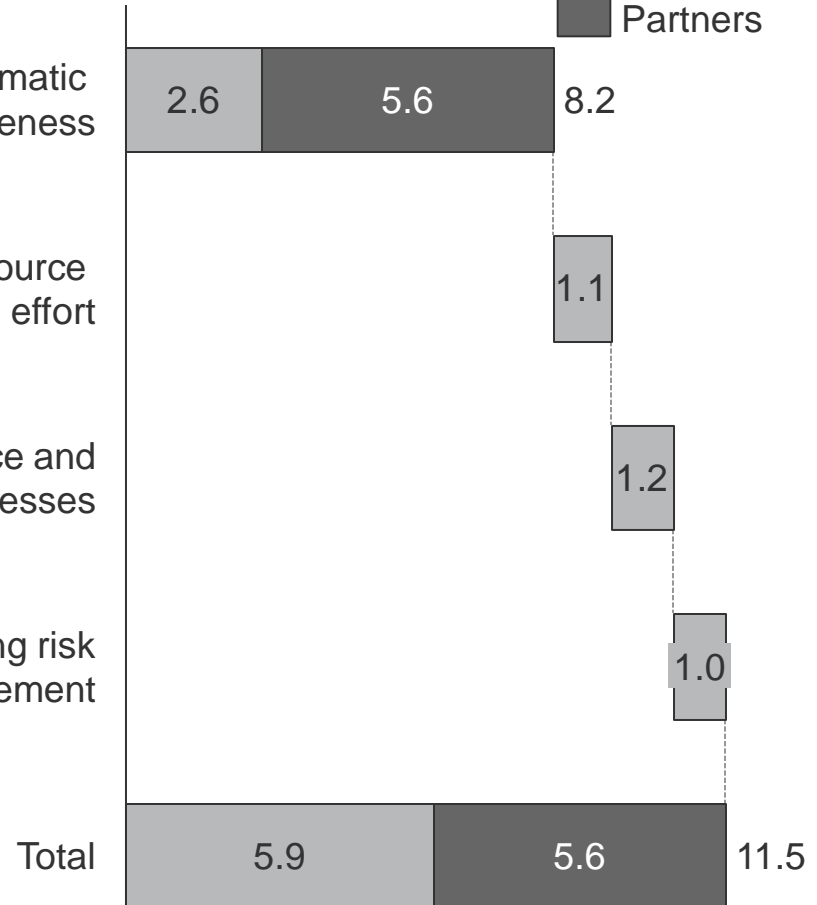
GAVI governance and Secretariat processes

Intensifying risk management

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Increase per theme and per partner, \$ million

■ Secretariat
■ Partners



4 new initiatives

Separate
papers

- **Polio/ IPV (\$12.1m¹):**
 - Additional specific funding for WHO, UNICEF and Secretariat
 - No overlap with GPEI funding (GAVI focuses on IPV)
 - Funds will be earmarked from donors
 - **Vaccine Investment strategy (\$1.5m):**
 - Yellow fever: Risk assessment and support to campaigns
 - Cholera: Stockpile management
 - **Graduation (\$2.0m):** Enhanced programmatic support to graduating countries
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- **Supply Chain Management (\$3.9m):**
 - Supply chain targeted improvement facility (ELMA)
 - Funds for developing supply chain strategy

1 Funding for polio is ring-fenced and will come from specific additional donor funding. The net value for GAVI existing resource is 0

2 \$2.0m out of \$3.9m are funded by ELMA as part of the matching fund contribution. The net 'ask' from GAVI's existing resources is \$1.9m

Recommendations (1/2)

The Executive Committee Recommends to the Board that it:

- a) Approves a US\$ 1.74 million increase for WHO to implement its part of the 2014 Business Plan.
- b) Approves a US\$ 1.76 million increase for UNICEF Programme Division to implement its part of the 2014 Business Plan.
- c) Approves a US\$ 1.39 million increase for civil society organisations for activities under the 2014 Business Plan.
- d) Approves:
 - a US\$ 5.88 million increase for the Secretariat operating expenses for the 2014 Business Plan;
 - a US\$ 0.70 million increase to the Secretariat's capacity to enter into expanded partnerships for the 2014 Business Plan;
 - US\$ 3.6 million for capital expenditure needs of the Secretariat to support work of the GAVI Alliance in 2014¹
- e) Approves an amount up to US\$ 12.1 million for polio-related Secretariat and partner costs to be added to the 2014 Business Plan, subject to additional polio-specific funds being made available from donors.

Recommendations (2/2)

The Executive Committee Recommends to the Board that it:

- f) Approves an amount up to US\$ 1.5 million to be added to the 2014 Business Plan budget to implement the Board's Vaccine Introduction Strategy (VIS) decisions through Secretariat and partner activities as described in section 5.2 of Doc 07 to the PPC².
- g) Approves an amount up to US\$ 3.9 million to be added to the 2014 Business Plan for spending on supply chain activities³.
- h) Approves an amount of up to US\$ 2 million to be added to the 2014 Business Plan for the GAVI Secretariat and partners to scale-up engagement with graduating countries.

Footnotes

1. Capital expenditure budgets are approved on an annual basis and hence no budget for 2014 was presented for approval at the December 2012 Board Meeting and is being presented now.
2. The PPC Vaccine Investment Strategy paper provides further details. The Business Plan budget amount does not include the vaccine costs which are included in the needs for programme funding outlined in the AFC Financial Forecast paper.
3. Funding US\$ 2 million is available from the ELMA Foundation towards expenditure of US\$ 4 million on supply chain activities in 2014-15, of which this US\$3.9 million in 2014 forms part.



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